

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF DUKE ENERGY) CASE NO. 2012-00412
KENTUCKY, INC.)

ORDER

On December 29, 2009, in Case No. 2009-00202,¹ the Commission approved rates for Duke Energy Kentucky, Inc. ("Duke") and provided for their further adjustment in accordance with Duke's Gas Cost Adjustment ("GCA") clause.

On September 7, 2012, Duke filed its GCA to be effective September 28, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Duke's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Duke's Expected Gas Cost ("EGC") is \$4.358 per Mcf, which is a decrease of \$.324 per Mcf from its previous EGC of \$4.682 per Mcf.
3. Duke's notice sets out its current quarter Refund Adjustment ("RA") of (\$.014) per Mcf. Duke's total RA is (\$.017) per Mcf, which represents no change from its previous total RA.

¹ Case No. 2009-00202, Application of Duke Energy Kentucky, Inc. for an Adjustment of Rates (Ky. PSC Dec. 29, 2009).

4. Duke's notice sets out its current quarter Actual Adjustment ("AA") of (\$.161) per Mcf. Duke's total AA is (\$.182) per Mcf, which represents no change from its previous total AA.

5. Duke's notice sets out its current quarter Balancing Adjustment ("BA") of (\$.005) per Mcf. Duke's total BA of \$.042 per Mcf represents no change from its previous total BA.

6. Duke's Gas Cost Recovery ("GCR") rate is \$4.201 per Mcf, which is a decrease of \$.324 per Mcf from its previous GCR of \$4.525 per Mcf.

7. The rates as proposed by Duke and set forth in the Appendix to this Order are fair, just and reasonable and should be approved for final meter readings by Duke on and after September 28, 2012.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Duke and set forth in the Appendix to this Order are approved for final meter readings on and after September 28, 2012.

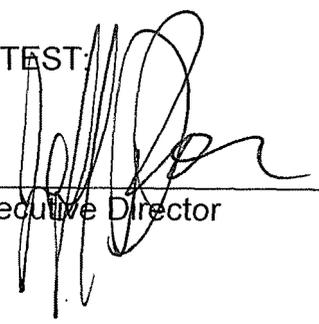
2. Within 20 days of the date of this Order, Duke shall file its revised tariff sheets with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED 
SEP 19 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

Commissioner Breathitt is abstaining from this proceeding.

ATTEST:



Executive Director

Case No. 2012-00412

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00412 DATED SEP 19 2012

The following rates and charges are prescribed for the customers served by Duke Energy Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS
RESIDENTIAL SERVICE

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.37213	\$.4201	\$.79223

RATE GS
GENERAL SERVICE

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.20530	\$.4201	\$.6254

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be (\$.0157) per 100 cubic feet. This rate shall be in effect during the months of September 2012 through November 2012 and shall be updated quarterly, concurrent with the Company's GCA filings.

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Duke Energy Kentucky

Case No.: 2012-00412
Filing Date: September 7, 2012
Proposed Effective Date: September 28, 2012
Approved Effective Date: September 28, 2012

Wholesale Rate: Decreased \$.324 per Mcf
Retail Rate: Increased \$.324 per Mcf

Wholesale Gas Suppliers: CM&T, Confidential supplier under hedging plan

Pipelines: Columbia Gas Transmission Corp., Tennessee Gas Pipeline, Columbia Gulf Transmission Corp., K O Transmission Company

Storage: Columbia Gas Transmission Corp.

Gas Cost Recovery Rate Components:

Expected Gas Cost	\$ 4.358
Refund Adjustment	(.017)
Actual Adjustment	(.182)
Balance Adjustment	<u>.042</u>
GCR	\$ 4.201
Previous GCR	\$ 4.525

Prepared by: Leah Faulkner

Date: September 17, 2012

John Linton
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201